

IN THE
United States
Circuit Court of Appeals,
FOR THE NINTH CIRCUIT.

Waterloo Register Company, a cor-
poration,

Appellant,

vs.

Charles Atherton,

Appellee.

REPLY BRIEF ON BEHALF OF APPELLANT.

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TOPICAL INDEX.

	PAGE
Statement	3
Authorities	5
Conclusion	15



TABLE OF CASES AND AUTHORITIES CITED.

	PAGE
Bowers v. Schmidt, 63 F. R. 582.....	7
Cantrell v. Wallick, 117 U. S. 689, 6 Sup. Ct. 970, 29 L. Ed.	5
Carson Inv. Co. v. Anaconda Copper Mining Co., 26 F. 651	14
21 Corpus Juris., Sec. 170.....	13
Cycloepedia of Federal Procedure, Vol. 6, Section 2682	5
Earles v. Drake, <i>et al.</i> , 300 F. 265.....	5
Eibel Process Co. v. Minnesota and Ontario Paper Co., 43 Sup. Ct. 322, on page 327 (67 L. Ed. 523).....	6
National Cash Register Co. v. American Cash Register Co., 53 F. R. 371, 1892.....	7
Walker on Patents, 5th Edition, Sec. 76.....	5

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*To the Honorable, the Judges of the United States Circuit
Court of Appeals for the Ninth Circuit.*

May it please Your Honors:

We had hoped that it would not be necessary for appellant to file another brief, but counsel for appellant feels that he would be derelict in his duty to the court and to his client if he did not point out certain irregular practices and pettifoggery in which appellee's counsel has indulged in this appeal, which otherwise might mislead the court to the prejudice of appellant.

At the outset we take exception to the assertion of counsel for appellee on pages 3 and 4 of his brief that plaintiff-appellant did not make out a *prima facie* show-

ing of infringement without the bentvolent aid of the defendant-appellee. There is not a word of truth in that assertion. Our witness Gilley testified that he bought Plaintiff's Exhibit 7 as defendant Atherton's register and produced the sales receipt therefor, Plaintiff's Exhibit 8 [Tr. pp. 30-32] and our witness Ohrmund identified Exhibit 7 as Atherton's register and testified very convincingly regarding his knowledge of and familiarity with Atherton's register and register business [Tr. pp. 37-39]. Atherton admitted that Exhibit 7 was the register that he has manufactured, because he could not deny it, and not out of benevolent compassion for the plaintiff-appellant, as Atherton's counsel would have this court believe. This is just one demonstration from the cheap little bag of tricks which appellee's counsel practices, but we do not believe that this court can be hoodwinked by any species of pseudo-legal black magic. We owe no thanks to appellee and his counsel for the proof of our *prima facie* case and they know it. Appellee and his counsel would, of course, like to be the whole show, and possibly they think they are, but their crass arrogance does not make them the whole show.

Counsel for appellee, on page 6 of his brief, argues the issue of *prior invention* and on page 20 argues the issue of *aggregation of the claims of the patent* in suit. These issues are not before the court because no finding was made thereon by the lower court, nor has any appeal by appellant or cross-appeal by appellee been taken on said issues. If appellee is dissatisfied with the decree of the lower court because said court did not uphold his defenses of *prior invention* and *aggregation* he should file a cross-appeal. He cannot obtain relief from his aggrievement in

this respect upon the appeal of the appellant. The procedure is well stated in Cycloepedia of Federal Procedure, Vol. 6, section 2682, as follows:

“§2682. *Cross-appeals.* Counsel will be advised that while a right of appeal may be in both parties, yet both *must* appeal, the one appealing and the other cross-appealing. It is not possible for one to obtain relief from his aggrievement upon the other's appeal, for the reason that he cannot cross-assign errors or urge them. So a party who has a judgment or decree in his favor, but not to the extent prayed for in his pleading, should enter a cross-appeal if he wishes to be heard before the appellate court.”

Appellee having failed to file a cross-appeal on the issue of *prior invention*, there is nothing for the court to do but to disregard entirely Defendant's Exhibit A and all evidence relating thereto, in so far as the issue of *prior invention* is concerned. There is no evidence that Exhibit A was ever *used*. Before this court Defendant's Exhibit A is evidence of nothing but infringement of appellant's patent.

For the information of the court, however, we will briefly state the law applicable to the defenses of *prior invention* and *aggregation*.

Prior Invention must be proved like *prior use*.

“Prior invention must be established beyond a reasonable doubt. A prior invention to serve as an anticipation must be established beyond a reasonable doubt.”

Earles v. Drake, *et al.*, 300 F. 265.

See also:

Walker on Patents, 5th Edition, Sec. 76, and
Cantrell v. Wallick, 117 U. S. 689, 6 Sup. Ct. 970,
29 L. Ed.

The rule regarding *oral* evidence of *prior invention* is stated by Chief Justice Taft in *Eibel Process Co. v. Minnesota and Ontario Paper Co.*, 43 Sup. Ct. 322, on page 327 (67 L. Ed. 523), as follows:

“The *oral* evidence on this point falls far short of being enough to overcome the presumption of novelty from the granting of the patent. The temptation to remember in such cases and the ease with which honest witnesses can convince themselves after many years of having had a conception at the basis of a valuable patent, are well known in this branch of law and have properly led to rule that evidence to prove prior discovery must be *clear and satisfactory*.”

The argument and authorities included on pages 33 to 50 of appellant's opening brief dealing with *prior use* are applicable to appellee's defense of *prior invention* and are here cited.

Aggregation of claims is a question which is always carefully considered by the Patent Office, which has all the facilities for both technical and legal examination of inventions. The patent in suit was carefully examined by experts before it was issued by the United States Patent Office, and the patent grant carries with it the strong presumption that the patent claims are not aggregations, but are proper technological and legal ^{combinations} ~~aggregations~~ and that the letters patent are issued in due form. The register covered by the patent in suit is stamped from sheet metal and all the elements of the claims of the patent cooperate to the end of producing such a register which has met a wide demand of the public. The elements and features of the patent and suit are therefor of great practical utility and are characteristic of the most useful and meritorious inventions. Certainly it is not the policy of the law to

apply a narrow rule of construction to invalidate patents for highly useful inventions on the grounds of technical aggregation. We cite the following authorities:

National Cash Register Co. v. American Cash Register Co., 53 F. R. 371, 1892;

Bowers v. Schmidt, 63 F. R. 582.

Counsel for appellee on pages 21 and 22 of his brief has attempted to caricature the patent in suit and make a joke of the claims of the patent which were considered by the Patent Office with all due respect and were formerly granted under the great seal of the United States Government. What does that seal stand for before the eyes of the world? Counsel is welcome to laugh at his own crude joke, but we do not believe that this Honorable Court and the world will laugh with him.

Referring to page 2 of appellee's brief, it is stated that the lower court did not find in effect that the registers "claimed as an invention in said letters patent and made by said defendant, were in public use."

If the registers made by the defendant are not the same as the invention claimed in the patent in suit, then the alleged prior use of such registers cannot be considered as evidence supporting the defense of prior use, and the validity of the patent in suit, in so far as such defense is concerned, must be admitted. If on the other hand the lower court intended to find that the defendant's registers are different from the register of the patent in suit, the court would have found that the defendant's registers did not infringe the patent because of such difference, and not because of their alleged prior use. If the defendant's registers do not infringe the patent in suit, it is immaterial

when they were used. It is apparent that the lower court could not escape the conclusion that the structure of the defendant's registers was the mechanical equivalent of the structure of the patent in suit, and that the court upon the insufficient evidence upheld the defense of prior use because of such equivalency. We submit that counsel for appellee has misconstrued the decree of the lower court.

Referring to page 3 of appellee's brief, it is stated that "said old register," referred to in paragraph (b) of defendant's bill of particulars was Defendant's Exhibit B and not Exhibit A. It could not be Exhibit B because said paragraph of defendant's bill of particulars states that "said old register" has the *shoulders* and the bar." There are no *shoulders* in Defendant's Exhibit B, but there are shoulders in Defendant's Exhibit A. However, Exhibit A is different from the "said old register" referred to in defendant's bill of particulars, because it has projecting *cars* at the *rear corners* of the shutters and not in the *center* thereof.

We repeat that the defendant-appellee has specified one structure in his bill of particulars and introduced in evidence an entirely different structure. Which is correct? Appellee's counsel asks that this glaring irregularity, to the prejudice of appellant, be ignored, but we are satisfied that this feature of the case and all others will be given due consideration by this Honorable Court.

We submit that the references to witness Chester in appellee's brief, pages 9 and 16, as being "so hostile and unfair" and "bitterly hostile" are unwarranted. Simply because Chester testified that Atherton's reputation for truth, honesty and integrity in the community is bad [Tr.

p. 111] and that he did not care if Atherton lost his case [Tr. p. 112] is no reason for assuming that Chester was unfair and did not state the truth. The confusion in Chester's testimony regarding the location of Atherton's Niagara press was evidently due to a misunderstanding on Chester's part of the questions asked him, but the court will note that Chester testified several times that the press was in his shop in the year 1923 and testified twice that it was in *his* shop in the month of April of that year [Tr. pp. 112-115], at which time Atherton claims to have made his Exhibits A and D on said press. Chester at no time stated that said press was *not* in *his* shop during said year and month. It is hardly possible that Atherton could have made said registers in Chester's shop without Chester knowing it and especially when Atherton and Chester were partners and in view of the fact that said registers are of delicate construction and would require considerable time to be made by hand. However, Chester, a diemaker, testified that Atherton's machines were not such that could have produced the alleged registers [Tr. p. 111]. The Niagara press was a big lever press, and it is obvious that such a press would be too large and unwieldy to produce the delicate registers, Exhibits A or D [Tr. p. 115], and especially without dies which Atherton did not have until 1926, after the patent in suit was granted. [Tr. p. 123.]

The statement on pages 13 and 14 of appellee's brief that Lindsay had knowledge of the installation of Bossard's register in 1923 is not correct. Lindsay, when asked on cross-examination if he knew anyone to whom Atherton *sold* his registers in 1923, mentioned Bossard's name [Tr. p. 94], *but he never stated that he saw or knew of the installation* of such register in Bossard's house dur-

ing the year 1923. Lindsay is obviously a friend of Atherton's, readily susceptible to suggestion, and found it easy to remember for his friend the name of one purchaser of his friend's register, but the fact that he could not remember a single other purchaser renders his testimony regarding Bossard's alleged purchase rather doubtful, to say the least, and especially in the absence of any documentary evidence. Lindsay was asked on cross-examination if he could state what profits he made out of his partnership with Atherton, but the question was objected to and ruled out. [Tr. p. 95.] The purpose of the question was to test the witness' memory as to matters of *greater importance* to him than the sale of a particular register, and the ruling of the court was a gross error, because it cut the throat of the cross-examination and prevented counsel for appellant from conclusively showing the unreliability of Lindsay's memory. However, only a reasonable doubt as to the reliability of Lindsay's memory is fatal and we submit that such doubt exists. Lindsay's testimony on the whole is too meagre, uncestrain and weak to be considered seriously.

We have stated in our opening brief that appellee's defense of prior use rests upon nothing but *oral* testimony and have cited a number of decisions of the highest courts which hold that such evidence is not sufficient to prove prior use. Counsel for appellee on page 16 of his brief refers to appellee's exhibits and the deeds of Bossard and Lindsay as concrete things. We have pointed out in our opening brief that the exhibits carry *no date* upon them, which is the only thing that counts. So far as the exhibits themselves show they could have been made after the patent in suit was granted. The only evidence of the *date*

of production or use of said exhibits is the *oral* testimony of a *very few* witnesses to remote events, and such evidence does not measure up to the required proof beyond all reasonable doubt which is necessary to establish the defense of prior use or prior invention. (See authorities, appellant's brief, pages 33 to 50, inclusive.) The deeds of Lindsay and Bossard to their real property are not in evidence and even if they were they are so remote with relation to alleged remote events that they would prove nothing and especially when the proof required for the purposes of appellee's defense must be beyond all reasonable doubt.

Appellee's counsel harps with all the expression at his command on the assertion that "Bossard and his wife are entirely disinterested witnesses." We are not at all sure about the disinterestedness of said witnesses, but believe there is a reasonable doubt about their disinterestedness. There appears to be no doubt about the friendship between the Bossards and Atherton. Bossard testified that he had known Atherton probably twenty-five years or more [Tr. p. 77]. Mrs. Bossard testified that they knew Atherton back in Denver several years ago [Tr. p. 87]. Bossard like Atherton is a sheetmetal worker [Tr. p. 73]. Atherton, Bossard and Lindsay are "birds of a feather" and the profitable register business of the appellant would certainly be "good pickings" for those birds. There is no evidence that Atherton, Bossard and Lindsay are conspiring to appropriate appellant's business, but the court may draw its own conclusions.

The assertion of appellee's counsel on page 16 of his brief that "counsel for plaintiff asked witness after witness as to Atherton's general reputation for truth and

veracity" is greatly exaggerated. Only two witnesses besides Chester, namely, Ralphs and Summerville, were asked the impeaching questions. Ralphs said he did not know Atherton's reputation for truth, etc. [Tr. p. 118], and Summerville said that *he did not know Atherton's reputation in the neighborhood*, but that it was good so far as he knew in Pasadena [Tr. p. 125]. Pasadena is a fairly large city where Atherton would not be known so well as in his own neighborhood. It cannot be seriously urged that these witnesses sustained Atherton's reputation. Ralphs on the other hand testified that *he had some trouble with Atherton over a bill* [Tr. p. 118], which fact tends to corroborate Chester. Counsel for appellant refrained from asking witness Wysong questions for impeaching Atherton because Wysong is the son-in-law of Atherton. Wysong was a reluctant witness. He had to be subpoenaed and the court will note that he volunteered no testimony. He was a good witness, however, and his testimony corroborated Chester's.

The assertion of counsel for appellee on page 17 of his brief that it is to be presumed that Bossard's registers were legally installed is truly remarkable. There are *no presumptions whatever in favor of an alleged prior use* of an invention covered by formally granted Letters Patent. Letters Patent are presumed to be valid until the contrary is proved beyond a reasonable doubt. (See authorities on page 41 of appellant's brief.) The fact that Bossard had to obtain a permit to install a hot water heater in his house in the city of Los Angeles throws doubt on the legality of the alleged installation of appellee's registers in his house in 1923, which is alleged to have been done without a permit, and such doubt would be

fatal to appellee's defense of prior use if were proved, because a court of equity could consider only a *legal* use and such use would have to be proved beyond a reasonable doubt [Tr. pp. 79-80] by him who alleged it. The further assertion of appellee's counsel that it was incumbent upon plaintiff to show that a sheet-metal worker and furnace man is required to obtain a building permit to install an electrically-controlled furnace in his own home, is not even deserving of the "horse laugh." Building regulations and fire ordinances apply to all alike. An architect or a builder is required like anyone else to obtain a building permit to build his own house.

The assertion of counsel for appellee in his brief on page 17, that the "clean hands" maxim does not apply in this case because Bossard did not come into court asking a favor is entirely erroneous. Bossard's alleged *prior use* is the defense of the defendant-appellee, and counsel for appellee naively admits that the defendant asks for nothing "*except that he be relieved from plaintiff's unjust charge of infringement.*" If the asking for such relief upon an alleged *prior use, which bears all the earmarks of illegality*, is not asking a favor of this court, and a most unusual and inequitable one, then we do not know what constitutes the asking of a favor.

"The maxim (clean hands) imposes itself alike upon *one who defends* and one who prosecutes a suit in equity."

21 Corpus Juris., Sec. 170.

We submit that the assertion of counsel for appellee, on page 18 of his brief, that the findings of fact of the lower court will not be reviewed by the Appellate Court, is without merit in the case at bar, and particularly in

view of the decision of this court in the case of Carson Inv. Co. v. Anaconda Copper Mining Co., 26 F. (2nd) 651, which is quoted on page 43 of our opening brief.

We cannot overlook the statement of counsel for appellee on page 15 of his brief as follows:

“The house (Bossard’s) was then heated by stoves and one winter passed with that unsatisfactory system of heating. Following that experience, the furnace and the registers were installed. Surely, these facts would have been impressed upon their memories.”

There is not a scintilla of evidence of the above-asserted *facts* (?) and we challenge counsel for appellee to point them out in the transcript. This is another and most glaring illustration of the most questionable and unreliable character of *all* of appellee’s evidence. What credibility can be given to any of it? We have our opinion of counsel who would manufacture evidence to influence judicial decision, but we refrain from expressing our opinion, and will let the court draw its own conclusions.

Must we again submit that appellee has failed to establish any of his defenses and particularly his defense of *prior use*, and that appellee’s register, with only its slight non-functional variation from appellant’s patent, *i.e.*, the shutter pivots made in two instead of one piece, is within the scope of the claims and is an infringement of appellant’s patent?

Before concluding we desire to state that the italics in the authorities cited in our opening brief and in this brief are ours.

Conclusion.

We again submit that appellant's patent is valid and is infringed by appellee, and that the decree of the lower court should be reversed in favor of appellant as prayed in the bill of complaint.

Respectfully submitted,

ALAN FRANKLIN,

Attorney for Appellant.

